

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH CENTRAL RURAL TELEPHONE)	
COOPERATIVE CORPORATION, INC.'S)	
PROPOSED OPTIONAL EXPANDED)	CASE NO. 96-575
EXTENDED AREA CALLING SERVICE)	
AND GENERAL RATE REDUCTION)	

O R D E R


On June 2, 1998, South Central Rural Telephone Cooperative Corporation, Inc. ("South Central RTCC") filed with the Commission a report of actual revenues resulting from its implementation of its Optional Expanded Extended Area Calling Service ("Call-Extend Plan") and the implementation of a general rate reduction. South Central RTCC initially projected that the Call-Extend Plan would result in a revenue reduction of \$151,680. The report of revenues, based on actual results of the period of May 1, 1997 through April 30, 1998, shows an annual loss of revenue of \$22,789 or \$0.29 per customer subscribing per month. The report shows that as of April 30, 1998, 6,465 customers (25.22% of the system) were subscribing to this option. The number of customers subscribing to this option has continued to grow over the period studied. The Commission finds that it will be necessary for South Central RTCC to file with the Commission the actual results of the period May 1, 1998 through April 30, 1999 to show that the plan continues to approach revenue neutrality.

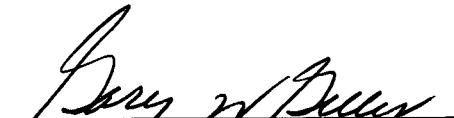
IT IS THEREFORE ORDERED that South Central RTCC shall file an additional 12 months of company-specific data as necessary to demonstrate the reasonableness and accuracy of its forecasts for its Call-Extend Plan. South Central RTCC shall file this information with the Commission by June 30, 1999. South Central RTCC shall also submit any proposed changes to the Call-Extend Plan rates to bring the revenue impact into compliance with the Commission objective of revenue neutrality.

Done at Frankfort, Kentucky, this 12th day of June, 1998.

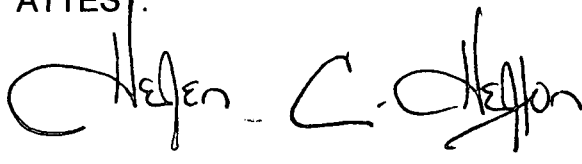
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director